

# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

***San Diego, California***

***United States Attorney  
Carol C. Lam***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - May 16, 2005

United States Attorney Carol C. Lam announced the sentencing in federal district court in San Diego today of Suk Hi Ring for conspiracy to commit money laundering, conspiracy to use a facility in interstate commerce to promote or facilitate the promotion, management, establishment or carrying on of any unlawful activity, and filing false income tax returns. United States District Court Judge Marilyn L. Huff imposed a sentence of 46 months in custody, followed by three years of supervised release, and ordered Ring to forfeit \$934,041.70 to the United States and to pay \$200,702 in restitution to the Internal Revenue Service, not including interest and penalty.

Judge Huff specifically found that Ring laundered and transmitted in interstate commerce at least \$400,000, and as much as \$1 million, of the money she derived from the business of prostitution, and additionally increased Ring's sentence for being a leader and organizer of the conspiracy to commit money laundering.

Ring pled guilty on January 18, 2005, and admitted that she owned and operated Royal Spa, located at 5375 Kearny Villa Road, San Diego, California, as well as Royal Palace Massage, located at 6304

University Avenue, San Diego, California. During the operation of Royal Spa and Royal Palace Massage, Ring admitted, she and her employees provided sexual services in exchange for money under the guise of providing massage services. Ring further admitted that between March 1998 and April 25, 2003, she conspired with her employees to transmit monies derived from prostitution across state lines and to unlawfully promote and carry on the business of prostitution. Ring acknowledged that she established and used a credit card payment system which enabled customers at Royal Palace Massage to pay for sexual services using credit cards. Bank accounts were opened in the name of Royal Spa and were used to accept the deposits from the illegal prostitution business. Ring admitted also to laundering and concealing the money derived from the prostitution business by acquiring two residences and one business location in San Diego.

Ring also admitted she filed false personal income tax for the years 1998 and 1999, and failed to report additional income generated from her business of approximately \$170,361 in 1998 and approximately \$277,953 in 1999. Ring filed a false U.S. Corporate Income Tax Return for San Diego Health Spa Inc., d.b.a. Royal Spa, which omitted gross receipts of approximately \$96,736 in 1998 and approximately \$18,950 in 1999. Ring also admitted she filed false 1999 Employer's Quarterly Federal Tax Returns in which she omitted reporting employee wages totaling approximately \$101,801, resulting in additional tax due and owing of \$49,528.

## **DEFENDANT**

Suk Hi Ring - In Custody

## **SUMMARY OF CHARGES**

Conspiracy in violation of Title 18, U.S.C. § 371 - (Count 1)  
Maximum penalty is five years in prison and fine not to exceed \$250,000.

Money Laundering Conspiracy in violation of Title 18, U.S.C. § 1956(h) (Count 51)  
Maximum penalty is twenty years in prison and fine not to exceed \$500,000 (or twice the value of the property involved in the transaction).

Filing a False Tax Return in violation of Title 26, U.S.C. § 7206(1) - (Count 69)  
Maximum penalty is three years in prison and fine not to exceed \$250,000.

## **AGENCIES**

Internal Revenue Service - Criminal Investigation Division

Federal Bureau of Investigation